



CONNECTICUT
STATE COUNCIL

SERVICE EMPLOYEES
INTERNATIONAL UNION
CTW, CLC

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*Statement by Paul Filson, Director of Service Employees International Union (SEIU)
Connecticut State Council in support of **HB 5257 –AAC HOSPITAL EMPLOYEES
AND HOSPITAL CONVERSIONS**– before the Labor and Public Employees
Committee.*

Good Afternoon, Co-Chairs, Senator Osten, Representative Tercyak and distinguished members of the Labor and Public Employees Committee. I appreciate the opportunity to testify today. My name is Paul Filson and I am Director of SEIU's Connecticut State Council. The State Council represents over 65,000 members in Connecticut. SEIU is also Connecticut's largest health care union with over 27,000 members in District 1199. Our union supports **HB 5257**.

Here in Connecticut the future of health care is on the agenda. The introduction of the Affordable Care Act means that there will likely be big changes in how health care is delivered. **HB 5257** is one of several bills this year that are concerned with potential changes in how Connecticut's hospitals will operate in the future. The Labor Committee is to be commended for raising a bill that is concerned with how workers in hospitals will be treated as change takes place.

The lack of transparency is a chief reason that workers need protections. Many hospitals in Connecticut are declaring they are losing money and that they cannot compete with for-profit hospital corporations. They claim that only for-profit hospitals can access sufficient capital to buy the latest machines and technology. Several non-profit CT hospitals are in negotiations with for profit hospital corporations to sell their assets for what may be very low prices. How are these prices being determined? It is impossible to know.

Here is what we do know. Workers are being asked to take concessions in order to pump up profits at so called non-profit hospitals. At Waterbury Hospital, which has signed a letter of intent to be sold, SEIU members were asked to give up their defined benefit pension plan. 17, mostly senior workers, were let go without just cause when the hospital suddenly decided to change contractors. The new contractor continues to refuse to negotiate the return of these 17 workers.

HB 5257 puts some sensible and vital protections in place while hospitals contemplate conversion. For example, workers should be allowed to maintain their current wages and benefits and negotiated collective bargaining agreements for a period of time in order to minimize disruption to health care delivery and to the community. Hospitals are often the largest employers in their communities and their future is of utmost importance. The bill requires a strategic plan that details what the new hospital entity anticipates will be its employment levels and business model into the near future.

The bill addresses the conversion of non-profit hospitals into for-profit corporations, but ought to be expanded to include other changes including mergers and takeovers by

Main Office:

77 Huyslope Avenue
Hartford, CT 06106
860.251.6091
Fax: 860.548.1935

777 Summer Street
5th floor, Suite 501
Stamford, CT 06901
203.602.6615
Fax: 203.964.0428

other non-profit hospital corporations. The bill injects more transparency with the community and the existing workforce by requiring public meetings. The bill might be improved by requiring at least one or two of those meetings take place in the hospital and also in the evening so that workers and community members from every shift can attend the meetings.

In March of 2013 Time magazine published an article by Steven Brill that analyzed the U.S. health care system. In brief, he describes a system that is largely indecipherable and almost impossible to understand. Much of Brill's focus was on what hospitals charge for procedures and medicines. His conclusion is that due to the lack of transparency hospitals can essentially charge whatever they want to patients.

For example, Brill found hospitals charging \$1.50 for a single generic Tylenol, \$32 for the rental of a reusable blanket, and \$13,702 for a drug that cost the hospital only \$400. It's all part of a three-tiered system that offers deep discounts to Medicare and lesser breaks to private insurers but charges uninsured individuals the full internally listed price.

The expose shows how many ostensibly non-profit hospitals are raking in even larger profits than their for-profit counterparts. These profits sometimes get reinvested in bigger buildings and more medical equipment, which encourage doctors to order even more tests, which generate even more profit for the hospitals. Many suspect that astronomical hospital costs and profits go to bloated administrations as well as outrageous CEO salaries. Other so called non-profit hospitals mask profits in ancillary businesses.

Thank you for raising this important bill and SEIU urges passage.